



2nd May, 2018

- | | |
|---|--|
| 1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001. | 2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051 |
|---|--|

BSE Scrip Code: 500165
NSE Scrip Code: KANSAINER

Dear Sirs,

Re: Board Meeting of our Company held today.

Audited Annual Financial Results (Standalone and Consolidated) for the year ended 31st March, 2018.

The Board of Directors of the Company has considered and approved the Audited Annual Financial Results (Standalone and Consolidated) for the year ended 31st March, 2018 at its Meeting held today i.e. on 2nd May, 2018, (which meeting commenced at 12 noon and concluded at 2.30 p.m). 

We enclose a copy of the said Results along with the Auditors' Report on the Standalone and Consolidated financial results.

We have already made the arrangements to publish the same in the newspapers in accordance with Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

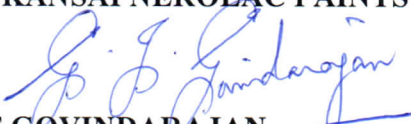
Declaration on Audit Report with unmodified opinion

We declare that the Auditors' report on Standalone and Consolidated annual financial results for the year ended 31st March, 2018, is with unmodified opinion.

Thanking you,

Yours Faithfully,

For **KANSAI NEROLAC PAINTS LIMITED**


G.T.GOVINDARAJAN
COMPANY SECRETARY

Encl: as above.

NEROLAC HOUSE
Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400013 India

Tel.: + 91.22.2493 4001
+91.22.2499 2500
Fax: +91.22.2497 3704

CIN No.: L24202MH1920PLCOOO825

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditors' Report on annual standalone financial results of Kansai Nerolac Paints Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Board of Directors of
Kansai Nerolac Paints Limited**

We have audited the accompanying annual standalone financial results of Kansai Nerolac Paints Limited ('the Company') for the year ended 31 March 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these annual standalone financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These annual standalone financial results are responsibility of the Company's management and have been approved by the Board of Directors in their meeting held on 2 May 2018.

These annual standalone financial results have been prepared on the basis of annual standalone financial statements and reviewed quarterly financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these annual standalone financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual standalone financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as the annual standalone financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and



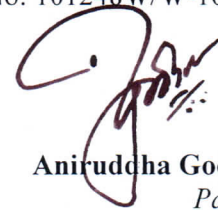
**Independent Auditors' Report on annual standalone financial results of Kansai Nerolac Paints Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(Continued)**

Kansai Nerolac Paints Limited

Opinion (Continued)

- (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
2 May 2018

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
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Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditors' Report on the annual consolidated financial results of Kansai Nerolac Paints Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Board of Directors of
Kansai Nerolac Paints Limited**

We have audited the annual consolidated financial results of Kansai Nerolac Paints Limited ('hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the year ended 31 March 2018, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. These annual consolidated financial results are the responsibility of the Holding Company's management and have been approved by the Board of Directors in their meeting on 2 May 2018.

These annual consolidated financial results have been prepared from the annual consolidated Ind AS financial statements, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these annual consolidated financial results based on our audit of such annual consolidated Ind AS financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ('Ind AS') as per Section 133 of the Companies Act 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. .

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatements. An audit includes examining on test basis, evidence supporting the amounts disclosed as the annual consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of KNP Japan Private Limited (*formerly known as Kansai Paints Nepal Private Limited*) and Kansai Paints Lanka (Private) Limited included in the annual consolidated financial results, whose annual financial statements reflect total assets of Rs 87.94 crores as at the year ended 31 March 2018, as well as the total revenue of Rs 72.45 crores, the total loss after tax of Rs 0.32 crores, and the total comprehensive loss of Rs 0.20 crores for the year ended 31 March 2018. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the annual consolidated financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors. Our opinion is not modified in respect of this matter.



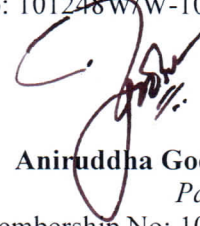
**Independent Auditors' Report on consolidated year to date results of Kansai Nerolac Paints Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(Continued)**

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate annual financial statements and on other information of the subsidiaries as aforesaid, these consolidated annual financial results:

- (i) include the annual financial results of KNP Japan Private Limited (*formerly known as Kansai Paints Nepal Private Limited*) and Kansai Paints Lanka (Private) Limited for the year ended 31 March 2018;
- (ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the consolidated profit and other comprehensive income and other financial information for the year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Aniruddha Godbole
Partner

Membership No: 105149

Mumbai
2 May 2018

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STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

Part I

Rs. in Crores

	Particulars	Standalone					Consolidated	
		For the quarter ended			For the year ended		For the year ended	
		31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
	Gross Sales / Income	1204.19	1262.94	1156.35	5197.77	4936.05	5297.12	4990.00
1.	Income							
a.	Net Sales / Income from Operations (Net of Discounts and Rebates)	1098.27	1139.27	1059.99	4720.03	4520.15	4792.19	4574.10
b.	Other Operating Income	5.29	5.74	2.88	16.98	10.90	16.33	10.43
c.	Other Income	18.63	19.76	23.11	72.42	98.22	70.91	98.00
	Total Income	1122.19	1164.77	1085.98	4809.43	4629.27	4879.43	4682.53
2.	Expenses							
a.	Cost of Materials Consumed	704.77	669.24	546.31	2674.88	2190.78	2717.66	2216.88
b.	Purchase of Stock-in-Trade	60.81	52.20	48.61	213.64	186.43	213.83	186.50
c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(81.40)	(34.89)	(42.56)	(114.45)	(34.26)	(117.93)	(34.27)
d.	Excise Duty on Sale of Goods	-	-	121.40	150.44	531.98	150.44	531.98
e.	Employee Benefits Expense	57.10	57.85	50.02	226.56	198.12	235.08	202.57
f.	Depreciation and Amortisation Expense	19.67	19.37	17.51	75.79	69.49	77.07	70.09
g.	Other Expenses	193.35	208.37	174.97	796.17	727.31	816.32	743.47
	Total Expenses	954.30	972.14	916.26	4023.03	3869.85	4092.47	3917.22
3.	Profit before Tax (1-2)	167.89	192.63	169.72	786.40	759.42	786.96	765.31
4.	Tax Expense							
a.	Current Tax	77.09	60.34	49.40	268.21	245.16	270.72	246.93
b.	Deferred Tax	(15.01)	7.14	4.15	1.79	8.32	2.49	8.30
	Total Tax Expense	62.08	67.48	53.55	270.00	253.48	273.21	255.23
5.	Profit for the Period (3-4)	105.81	125.15	116.17	516.40	505.94	513.75	510.08
6.	Profit / (Loss) attributable to Non-controlling interests	-	-	-	-	-	(0.65)	1.24
7.	Profit after Non-controlling Interests (5-6)	105.81	125.15	116.17	516.40	505.94	514.40	508.84
8.	Other Comprehensive Income							
a.	(i) Items that will not be reclassified to Statement of Profit and Loss	0.73	(0.80)	(6.22)	(1.67)	(7.23)	(1.55)	(7.23)
	(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss	(0.25)	0.28	2.15	0.58	2.50	0.58	2.50
b.	(i) Items that will be reclassified to Statement of Profit and Loss	-	-	-	-	-	(0.07)	0.10
	(ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss	-	-	-	-	-	-	-
		0.48	(0.52)	(4.07)	(1.09)	(4.73)	(1.04)	(4.63)
9.	Other Comprehensive Income (net of tax) attributable to Non-controlling Interests	-	-	-	-	-	(0.03)	(0.07)
10.	Other Comprehensive Income (net of tax) after Non-controlling Interests	0.48	(0.52)	(4.07)	(1.09)	(4.73)	(1.07)	(4.70)
11.	Total Comprehensive Income (7+10)	106.29	124.63	112.10	515.31	501.21	513.33	504.14
12.	Paid up Equity Share Capital (Face value of Re. 1 each)	53.89	53.89	53.89	53.89	53.89	53.89	53.89
13.	Other Equity				3071.23	2751.43	3078.43	2760.61
14.	Earnings Per Share (of Re. 1 each) (not annualised)							
a.	Basic	1.96	2.32	2.16	9.58	9.39	9.55	9.44
b.	Diluted	1.96	2.32	2.16	9.58	9.39	9.55	9.44



KANSAL NEROLAC PAINTS LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2018

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		Rs. in Crores			
Particulars		Standalone		Consolidated	
		As at		As at	
		31.03.2018 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
A ASSETS					
1. Non-current Assets					
Property, Plant and Equipment	1004.28	945.53	1030.72	954.11	
Capital Work-in-progress	343.09	142.12	345.98	154.37	
Investment Property	0.18	0.18	0.18	0.18	
Goodwill	-	-	2.27	2.27	
Other Intangible Assets	2.12	0.89	2.37	0.90	
		1349.67	1088.72	1381.52	1111.83
Financial Assets:					
Investments	25.81	22.03	0.71	0.69	
Loans	11.26	10.31	12.21	11.29	
		37.07	32.34	12.92	11.98
Other Non-current Assets		150.49	121.64	150.49	122.17
Total Non-current Assets		1537.23	1242.70	1544.93	1245.98
2. Current Assets					
Inventories		805.76	691.31	829.18	703.20
Financial Assets:					
Investments	519.96	530.75	519.96	530.75	
Trade Receivables	675.69	571.71	702.64	590.44	
Cash and Cash Equivalents	60.51	43.87	63.21	55.62	
Bank Balances other than Cash and Cash Equivalents	300.40	205.82	300.40	205.82	
Loans	3.32	11.19	3.32	4.81	
Other Financial Assets	27.02	234.22	25.55	232.74	
		1586.90	1597.56	1615.08	1620.18
Other Current assets		137.97	65.79	140.73	66.89
Total Current Assets		2530.63	2354.66	2584.99	2390.27
Total Assets		4067.86	3597.36	4129.92	3636.25
B EQUITY AND LIABILITIES					
1. Equity					
Equity Share Capital	53.89	53.89	53.89	53.89	
Other Equity	3071.23	2751.43	3078.43	2760.61	
		3125.12	2805.32	3132.32	2814.50
Non-controlling Interest		-	-	16.38	15.25
Total Equity		3125.12	2805.32	3148.70	2829.75
Liabilities					
2. Non-current Liabilities					
Financial Liabilities:					
Borrowings	9.71	18.33	9.71	18.20	
Provisions	-	-	0.13	-	
Deferred Tax Liabilities (Net)	80.42	79.21	81.38	79.47	
Total Non-current Liabilities		90.13	97.54	91.22	97.67
3. Current Liabilities					
Financial Liabilities:					
Trade Payables	683.58	550.20	699.87	560.66	
Other Financial Liabilities	114.35	80.24	131.90	80.24	
	797.93	630.44	831.77	640.90	
Other Current Liabilities	29.88	37.13	32.73	39.60	
Provisions	21.13	23.26	21.14	23.46	
Current Tax Liabilities (Net)	3.67	3.67	4.36	4.87	
Total Current Liabilities		852.61	694.50	890.00	708.83
Total Liabilities		942.74	792.04	981.22	806.50
Total Equity and Liabilities		4067.86	3597.36	4129.92	3636.25

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 2 May, 2018. The statutory auditors have expressed an unqualified opinion. The audit report has been filed with stock exchange and is available on the Company's website.
- Figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these financials results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto to the end of the third quarter of the relevant financial year. Also the figures up to the third quarter had only been reviewed and not subjected to audit.
- As the Company's business activity falls within a single segment viz. 'Paints' and the sales substantially being in the domestic market, hence the same is reflective of the disclosure requirements of Ind AS 108 - Operating Segments.
- According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the corresponding previous quarter ended 31st March, 2017, and for the year ended 31st March, 2017 were reported inclusive of Excise Duty. The Government of India has implemented Goods and Service Tax ('GST') from 1st July, 2017 replacing Excise duty, Service Tax and various other indirect taxes. As per Ind AS 118, the revenue for the quarter and year ended 31st March, 2018 are reported net of GST. Had the previously reported revenues been shown net of excise duty, comparative revenue of Standalone and Consolidated Financial Results would have been as follows:

	Standalone						Consolidated		
	Quarter ended		Growth %	Year ended		Growth %	Year ended		Growth %
	31.03.2018	31.03.2017		31.03.2018	31.03.2017		31.03.2018	31.03.2017	
Net Sales / Income from Operations	1098.27	938.59	17.0	4569.59	3988.17	14.6	4641.75	4042.12	14.8

- The Directors have recommended a normal dividend of 260% (Rs. 2.60 per share) for the year. This compares with a normal dividend of 250% (Rs. 2.50 per share) and special dividend of 50% (Rs. 0.50 per share) thus aggregating to total dividend 300% (Rs. 3.00 per share) declared last year.
- Consequent to the issuance of "Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013", certain items of Financial Statements have been regrouped/reclassified.

Place: Mumbai
Date: 2 May 2018



For KANSAL NEROLAC PAINTS LIMITED

H. M. BHARUKA
VICE CHAIRMAN AND MANAGING DIRECTOR

KANSAI NEROLAC PAINTS LIMITED

Registered Office: Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013

Tel: +91-22-24934001; Fax: +91-22-24973704; e-mail: investor@nerolac.com

Website: www.nerolac.com CIN: L24202MH1920PLC000825

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

Particulars	Standalone					Consolidated	
	For the quarter ended			For the year ended		For the year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Total Income	1122.19	1164.77	1085.98	4809.43	4629.27	4879.43	4682.53
Net Profit for the Period (before Tax and Exceptional items)	167.89	192.63	169.72	786.40	759.42	786.96	765.31
Net Profit for the Period before tax (after Exceptional items)	167.89	192.63	169.72	786.40	759.42	786.96	765.31
Net Profit for the Period after tax (after Exceptional items)	105.81	125.15	116.17	516.40	505.94	514.40	508.84
Total Comprehensive Income for the Period	106.29	124.63	112.10	515.31	501.21	513.33	504.14
Equity Share Capital	53.89	53.89	53.89	53.89	53.89	53.89	53.89
Other Equity				3071.23	2751.43	3078.43	2760.61
Earnings Per Share (of Re. 1/- each)							
Basic	1.96	2.32	2.16	9.58	9.39	9.55	9.44
Diluted	1.96	2.32	2.16	9.58	9.39	9.55	9.44

Note: The above is an extract of the detailed format of Statement of Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of Statement of Financial Results are available on the websites of Stock Exchanges at <http://www.bseindia.com> and <http://www.nseindia.com> and also on the Company's website at <http://www.nerolac.com>. The auditors have expressed an unqualified audit report on the financial results for the quarter and year ended 31 March 2018.

For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai
Date: 2 May 2018